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**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA FRESNO DIVISION**

In re

SOUTHERN INYO HEALTHCARE DISTRICT

Chapter 9 Debtor.

SOUTHERN INYO HEALTHCARE DISTRICT,
plaintiff

v.

HEALTHCARE CONGLOMERATE
ASSOCIATES, LLC; VI HEALTHCARE
FINANCE, INC.; and DOES 1 through 10,
defendants.

Bankruptcy Case No.: 16-10015
Chapter 9

Adv. Case No.: 18-01031

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**NOTICE OF MOTION AND MOTION FOR
PRELIMINARY INJUNCTION AGAINST VI
HEALTHCARE FINANCE, INC., FOR
SEQUESTRATION OF TAX REVENUES
PENDING FINAL RULING ON THE
MERITS OF THIS ADVERARY CASE OR
FURTHER ORDER OF THIS COURT.**

**MEMORANDUM OF POINTS &
AUTHORITIES, REQUEST FOR JUDICIAL
NOTICE, DECLARATIONS OF JACQUE
HICKMAN & RICHARD FEDCHENKO
FILED CONCURRENTLY HEREWITH**

**Hearing:
Date: November 29, 2018
Time: 1:30 p.m.
Place: Courtroom 11
2500 Tulare St., 5th Fl
Fresno, California**

1 **PLEASE TAKE NOTICE THAT** at 1:30 p.m., on November 29, 2018, or soon
2 thereafter as counsel may be heard, in the courtroom of the Honorable Frederick E. Clement,
3 United States Bankruptcy Judge, located at 2500 Tulare Street Courtroom 11, Fresno, CA 93721,
4 Debtor and Plaintiff Southern Inyo Healthcare District (“Debtor” or the "District") will and
5 hereby does move this Bankruptcy Court for an Order for a Preliminary Injunction pursuant to
6 Federal Rule of Bankruptcy Procedure 7065 and Federal Rule of Civil Procedure 65 restraining
7 and enjoining VI Healthcare Finance, Inc., and its officers, agents, servants, employees and
8 attorneys, and all those in active concert or participation with them from: enforcing an alleged
9 security agreement in Inyo County tax revenues of any type; prohibiting enforcement of any
10 alleged assignment of Inyo County tax revenues of any type; or otherwise collecting any Inyo
11 County tax revenues of any type. By this Motion the District does not seek to expend the tax
12 revenues in question, but rather seeks sequestration of the disputed funds pending a final ruling
13 of the merits of this adversary case or pursuant to further Order of this Court.

14 The Motion is based upon this Notice of Motion, the accompanying declarations and
15 memorandum of points and authorities, the pleadings, records and files in this case and such oral
16 and documentary evidence as may be presented on the motion. The Motion is based on the
17 following facts, which are further detailed in the concurrently filed Motion.

18 Vi and Healthcare Conglomerate Associates, LLC (“HCCA”)(both wholly owned by Dr.
19 Yorai Benzeevi) engaged in a practice of negligence and breach of fiduciary duties to the
20 District. Benzeevi and HCCA induced Debtor to allow HCCA complete control over its
21 finances and operations and then failed to operate Debtor’s facilities in accordance with
22 minimal standards required of a medical facility, transferred and misappropriated funds from
23 Debtor and intentionally concealed its bad acts from Debtor.

24 After leaving the District with no viable financial options, HCCA prevailed upon the
25 Debtor to borrow money from Vi at absurd and abusive interest rates and to assign tax revenues
26 to Vi as security for the loan. The Vi financing was made under threat that HCCA would not
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1 pay crucial vendors and medical professionals resulting in closure of the Debits facilities.
2 Incredibly, it was HCCA's acts and omissions that made the Vi financing necessary to continue
3 operations.

4 It is critical that a preliminary injunction is issued to prevent Vi from collecting tax
5 revenues that should be paid to the District on December 10, 2018 and thereafter until a final
6 determination on the merits of this action. It is clear that that HCCA's and Vi's claims against
7 Debtor are primarily due to Defendants' wrongful conduct and should be subordinated to all
8 legitimate creditors' claims. The District is further likely to prove in this adversary case that
9 HCCA and Vi wrongfully transferred and misappropriated funds which should be repaid to
10 Debtor, more than offsetting any amounts legitimately owed by Debtor to HCCA or Vi. The
11 District will suffer irreparable injury if the preliminary injunction is not granted as Debtor may
12 forever lose tax revenues necessary to continue its operations. Vi appears to have no business
13 other than the making of the loan to the Debtor and is controlled by Benzeevi. Further, in
14 connection with ongoing criminal investigations the Tulare County District Attorney has seized
15 nearly \$1 million in the bank accounts of Benzeevi. Finally, The District does not propose to
16 expend the sequestered revenues, it only seeks to preserve the funds until further Order of this
17 Court.

18 Each interested party opposing or responding to the motion must file and serve the
19 response on the Debtor and the United States Trustee not later than 14 days before the date
20 designated for hearing. Any response must be a complete written statement of all reasons in
21 opposition thereto or in support, declarations and copies of all evidence on which the responding
22 party intends to rely, and any responding memorandum of points and authorities. The failure to
23 file a response may be deemed consent to the granting of the motion.

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1 Responding parties can determine whether the matter has been resolved without oral
2 argument or whether the court has issued a tentative ruling and can view any pre-hearing
3 dispositions by checking the Court's website at www.caeb.uscourts.gov after 4:00 P.M. the day
4 before the hearing. Parties appearing telephonically must view the pre-hearing dispositions prior
5 to the hearing.

6 **WHEREFORE**, SOUTHERN INYO HEALTHCARE DISTRICT, respectfully requests
7 that the Court enter its Order:

- 8 A. Restraining and enjoining VI Healthcare Finance, Inc., and its officers, agents,
9 servants, employees and attorneys, and all those in active concert or participation with
10 them from enforcing its alleged security agreement in Inyo County tax revenues of any
11 type;
12 B. Prohibiting enforcement of any alleged assignment of Inyo County tax revenues of
13 any type; or otherwise collecting any Inyo County tax revenues of any type.
14 C. Requiring sequestration of any and all tax revenues allegedly assigned to VI
15 Healthcare Finance, Inc., in a manner consistent with Court's ruling on this Motion
16 until further Order or Judgment of the Court; and
17 D. Any further relief that the Court deems appropriate under the circumstances.

18 Respectfully submitted this 1st day of November, 2018.
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20
21 THE SHINBROT FIRM

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23 By: Jeffrey S. Shinbrot
24 Jeffrey S. Shinbrot, Special Litigation Counsel
25 for the Southern Inyo Healthcare District
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